

**CITY OF MIAMI SPRINGS GENERAL EMPLOYEES'  
RETIREMENT SYSTEM  
MINUTES OF THE MEETING HELD  
NOVEMBER 1, 2012**

The regular meeting of the Board of Trustees of the City of Miami Springs General Employees' Retirement System was called to order at 8:42AM by Tom Cummings in the Commission Chambers at the City of Miami Springs City Hall at 201 Westward Drive, Miami Springs, Florida.

**TRUSTEES PRESENT**

Tom Cummings, Chair  
Sherryl Bowein, Secretary  
Robert Whittington, Trustee  
Francisco Arguelles, Trustee

**OTHERS PRESENT**

Audrey Ross, Pension Resource Centers (PRC)  
Steve Cypen, Cypen & Cypen  
Grant McMurry, ICC Capital  
Brendon Vavrica, Thistle Asset Consulting  
Moirá Ramos, City of Miami Springs-Finance Dept.  
William Alonso, City of Miami Springs-Finance Dir.

**INVESTMENT MANAGER REPORT: ICC CAPITAL MANAGEMENT (GRANT MCMURRY)**

Mr. McMurry discussed the current market environment and commented that it is not rebounding as fast as everyone had thought it would, and rates continue to remain low. For the quarter ending September 30, 2012 the total fund net of fees outperformed the benchmark at 5.01% versus 4.73%, but for the fiscal year they were behind at 19.31% versus the benchmark at 21.35%. There is a total of \$14,731,247 in assets as of September 30, 2012, which is up from \$13,950,649 as of June 30, 2012. Mr. McMurry noted that for the month of October they were up about 60 basis points.

Mr. McMurry discussed some changes that might occur within his Company. He explained that another firm named Munder, based out of California is looking to inquire ICC Capital. Munder handles mutual fund accounts as well as other small products such as small and mid cap, and international. Mr. McMurry stated that they just began the process with Munder and nothing is final as of yet, although it might be by the end of the year. Mr. McMurry explained that the same ICC investment and client service teams, and staff members will more than likely remain the same if Munder does buy out the firm. He also noted that he and Bart McMurry (the portfolio manager for this fund) will still remain with ICC for a couple of years after the transition because of their contacts. Mr. McMurry commented that he is looking forward to this opportunity to expand ICC Capital and that he will update Thistle Assets and the Trustees as more information becomes available.

**INVESTMENT CONSULTANT REPORT: THISTLE ASSET CONSULTING (BRENDON VAVRICA)**

Mr. Vavrica stated that ICC Capital's announcement with Munder is all new to them as well, because this is the first time they were hearing of this transition as well. He noted that as long as ICC's current teams remain in place, then they will still continue to feel comfortable with ICC. Mr. Vavrica commented that they can talk more about this as a Board when the transition actually happens and more details are available.

Mr. Vavrica reviewed the report for the quarter ending September 30, 2012. The total fund net of fees outperformed at 5.01% versus the benchmark at 4.49% for the quarter. For the fiscal year the total fund was behind the benchmark at 19.24% versus 20.11%,

but they still had a great fiscal year and beat their assumed rate of return. He reviewed the risk versus reward chart and commented that the fund has strong equities and fixed income, but there is still more room to take more risk and get more returns from it. Mr. Vavrica noted that he does not have a recommendation to rebalance at this time.

Mr. Vavrica explained that he had the revised Investment Policy Guidelines with him today to be approved and executed by the board. He reviewed the revisions of the policy such as changing the benchmark and adding in a line for their new manager Polen Capital to sign. The board reviewed the revisions.

**MOTION:** Ms. Bowein made a motion to approve and authorize the execution of the revised Investment Policy Guidelines as presented by the Plans Investment Consultant.

**SECOND:** Mr. Whittington seconded the motion.

**CARRIED:** The motion carried 4-0.

Lastly Mr. Vavrica explained that at the last special meeting in October the board hired Polen Capital. After the meeting Mr. Vavrica stated that he was able to negotiate their fees down from 60 basis points to 55 basis points. He noted the Mr. Cypen's office is currently working on Polen's contract with the board and will have it completed soon. Along with the contract will be a copy of the revised Investment Policy Guidelines as well.

#### MINUTES

The board reviewed the minutes of the August 15, 2012 regular meeting.

**MOTION:** Ms. Bowein made a motion to approve the minutes of the August 15, 2012 regular meeting as amended.

**SECOND:** Mr. Arguelles seconded the motion.

**CARRIED:** The motion carried 4-0.

#### DISBURSEMENTS APPROVAL

Ratification of warrants processed since the August 15, 2012 meeting:

Warrant #	Payee	Amount	Invoice Date
316	Resource Centers, LLC (Inv #11983 - August 2012 Admin Fee)	\$1,350.00	7/31/12
	Evergreen Insurance Agency (Inv #5246) Fiduciary Liability Insurance Renewal - 8/22/12 to 8/22/13	\$5,356.54	8/3/12
	Cypen & Cypen (Invoice # 6357 - August 2012 Legal Fee)	\$1,250.00	8/1/12
317	Mutual of Omaha (Inv# 000257480761 - September 2012 Life Insurance Fee)	\$147.84	8/16/12
	Gabriel Roeder Smith & Company - Invoice #119312 (Final charges to date for 9/30/11 Valuation Report)	\$7,591.00	8/13/12
318	Mutual of Omaha (Inv# 000259714341 - October 2012 Life Insurance Fee)	\$135.30	9/14/12

319	<b>Holland &amp; Knight LLP</b> - Invoice #2819197 for professional services rendered through August 15, 2012 (Pension Plan Compliance Review - IRS Determination Letter).	\$50.00	8/31/12
	<b>Resource Centers, LLC</b> (Inv #12036 - September 2012 Admin Fee)	\$1,550.00	8/31/12
	<b>Cypen &amp; Cypen</b> (Invoice #6387 - September 2012 Legal Fee)	\$1,250.00	9/5/12
	<b>Gabriel Roeder Smith &amp; Company</b> - Invoice #119740 (For Services Rendered Through 9/30/2012: Benefit Calculation for Blanco = \$300; Calculation of Contribution Refund Payment for Nash = \$950 & Charges to date for 10/1/2012 Actuarial Valuation Report = \$626)	\$1,876.00	10/4/12
	<b>Holland &amp; Knight LLP</b> - Invoice #2828385 for professional services rendered through September 15, 2012 (Pension Plan Compliance Review - IRS Determination Letter).	\$75.00	9/27/12
	<b>ICC Capital Management, Inc.</b> (Invoice #57532650: 10/1/2012 - 12/31/2012 Quarterly Management Fee)	\$18,410.28	10/3/12
	<b>Resource Centers, LLC</b> (Inv #12095 - October 2012 Admin Fee)	\$1,567.32	9/28/12
	<b>Cypen &amp; Cypen</b> (Invoice # 6414 - October 2012 Legal Fee)	\$1,250.00	10/1/12

**MOTION:** Mr. Whittington made a motion to approve Warrants 316 through 319.

**SECOND:** Ms. Bowein seconded the motion.

**CARRIED:** The motion carried 4-0.

**BENEFIT APPROVALS:**

- **Applications for Retirement:**
  - \* Carlos Blanco (normal)

**MOTION:** Mr. Whittington made a motion to approve the application for a normal retirement for Carlos Blanco.

**SECOND:** Ms. Bowein seconded the motion.

**CARRIED:** The motion carried 4-0.

**OLD BUSINESS**

Ms. Ross noted that after the last meeting per the board directions, Ms. Bieler from Mr. Cypens office drafted the change to the DROP accounts and they were suppose to be presented to City Council. The revised document adds in a fixed rate of return option on the DROP accounts. It was noted that the document was not presented to the City Council yet, but they will make sure that it gets put on an upcoming agenda.

### **NEW BUSINESS**

Ms. Ross stated that she received a letter from Steve Palmquist with GRS. He will be retiring effective 12/31/2012, but his staff will remain in place and there will be no changes. The board noted that Mr. Palmquist has been basically working with this fund since it was created, and they commended him on his great work and wished him luck in his retirement.

### **REPORTS**

#### **• Administrator: PRC (Audrey Ross)**

- Ms. Ross presented the board with the revised agreement between the board and PRC for execution. She noted that the revised agreement reflects a new monthly retainer fee of \$1,550 effective September 1, 2012.
- Ms. Ross presented the board with the list of the 2013 meeting dates.

#### **• Attorney**

- Mr. Cypen reviewed the memo regarding Salem Trust's class action processing. Salem has never charged for this service in the past, but going forward they are trying to implement a service charge of 20% on all class action recoveries. Mr. Cypen explained that his office along with other pension Attorney's were concerned with this issue and therefore reached out to Salem Trust. Due to the overwhelming responses Salem Trust had received from the letter, they have already sent out another letter stating to disregard to the first letter and business as usual. Mr. Cypen noted that no action is needed at this time.

### **NEXT MEETING DATE**

Thursday February 7, 2013 @ 8:30 AM

### **ADJOURN**

There being no further business, a motion was made to adjourn the meeting at 9:29AM.

Respectfully submitted,

  
Sherryl B. Bowein, Secretary